



## **BEYOND PAY: ORGANIZATIONAL SUPPORT, COMPENSATION, AND LECTURER PERFORMANCE IN PRIVATE VOCATIONAL EDUCATION**

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**Abstract:** The goal of this study is to look at how financial compensation affects the performance of lecturers at private vocational education institutions and how the perception of organizational support affects this. The study used a cross-sectional survey with answers from 152 lecturers from six private polytechnics in Indonesia. This was based on the theory of organizational support. The analysis of the data was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The study's findings indicate that financial compensation significantly enhances lecturer performance, as assessed by teaching quality, research productivity, community service involvement, supportive activities, and overall performance. However, the perceived organizational support has not been shown to strengthen this relationship, indicating that financial compensation remains the dominant factor in driving lecturer performance while organizational support plays an independent role.

**Keywords:** Financial compensation, lecturer performance, organizational support, vocational higher education, PLS-SEM.

### **INTRODUCTION:**

Vocational education is very important for getting people ready for the skilled jobs that modern industry needs. In Indonesia, polytechnics as vocational education institutions encounter considerable difficulties in preserving educational quality, particularly in the management of lecturers' human resources (Ghozi et al., 2023). The performance of lecturers is a critical factor in attaining the objective of high-quality vocational education; however, research indicates that the determinants influencing lecturer performance in private vocational institutions remain inadequately comprehended (Uemura & Comini, 2022; Wahyuningsih et al., 2024; Habibi et al., 2025).

The literature on human resource management stresses that a number of intricate factors that extend beyond monetary compensation have an impact on employee performance. (Eisenberger et al. 1986) established the organizational support theory, which was reinforced by studies conducted by Uemura et al. (Uemura & Comini, 2022) and Adlof et al. (Adlof et al., 2023).



It demonstrates how performance, commitment, and job satisfaction are significantly impacted by employees' perceived organizational support in the context of higher education, encompassing several elements, including assistance for career development, research facilities, flexible scheduling, and acknowledgment of scholarly contributions (Subai et al., 2025; Yosepha et al., 2024).

Compensation, as a fundamental element in human resource management, has been the focus of extensive research in various organizational contexts. However, research on compensation systems in private vocational education institutions is still limited. (Brandl et al. 2025) state that the perceived fairness, transparency, and conformity with individual contributions are just as important to the effectiveness of the compensation system as the nominal amount. In the context of vocational education, the complexity of lecturers' duties that include teaching, research, and community service requires a comprehensive compensation approach (Li & Nadiah, 2024; Rice et al., 2025).

Prior studies have yielded conflicting findings about the connection between lecturer performance, pay, and organizational support. According to a study by (de Jong et al. 2025) on private universities in the US, organizational support had a greater effect on performance than monetary compensation. Instead, research by Kim and Maijan (Kim & Maijan, 2024) in higher education institutions in East Asia shows that compensation remains the main predictor of lecturer performance. The study's inconsistent findings highlight the need for more research, particularly in light of Indonesia's vocational education.

The context of private vocational education in Indonesia has unique characteristics that distinguish it from conventional higher education institutions. High competitive pressures, limited resources, and dynamic industry demands create a complex work environment for lecturers (Yew, 2016). Research on the factors that affect lecturers' performance in this specific context is still very limited, so a comprehensive empirical study is needed.

The following research questions are the focus of this study, which is based on the literature analysis and the identification of research gaps: 1) How do lecturers at private vocational education perform in relation to their pay?, 2) Does the relationship between lecturer performance and financial compensation get tempered by perceived organizational support?, and 3) How does the ability to moderate organizational support affect the impact of monetary compensation on lecturers' performance?

The goal of this research is to better understand how lecturer performance in Indonesian private vocational education institutions is impacted by the interaction between pay and perceived organizational support. These research questions form its foundation. The moderating role of organizational support to optimize HR strategies that enhance lecturer effectiveness and, eventually, the caliber of vocational education.



## LITERATURE REVIEW

### The Connection between Compensation and Lecturer Performance

For many years, a major focus of the literature on human resource management has been the connection between pay and worker performance. In the context of higher education, research shows mixed results regarding the effectiveness of compensation systems in encouraging academic performance. Academic performance was found to be significantly positively correlated with the perception of compensation fairness among 847 Vietnamese lecturers in a study by Tuan et al. (2022). This study demonstrated that not only the amount of compensation but also the perception of fairness in its distribution system. Similar findings were confirmed by Huang and Chen (Huang & Chen, 2024) in a 3-year longitudinal study of 1,250 faculty members at Chinese universities. The results showed that total compensation (including salary, benefits, and performance bonuses) had a positive impact on research productivity and teaching effectiveness. However, the study also identified diminishing returns at very high levels of compensation, indicating the complexity of the compensation-performance relationship. In the context of vocational education, according to (Komen & Ong'injo 2024), contextual elements like organizational culture, performance evaluation systems, and the degree of autonomy given to lecturers affect how effective compensation is in vocational education institutions.

### Organizational Support Moderation's Function

The concept of organizational support as a moderator in the compensation-performance relationship is beginning to receive attention in the current literature. Eisenberger and Stinglhamber (Margaretha et al., 2025) discovered that the association between employee performance and reward systems is moderated by perceived organizational support. Specific research in the context of higher education by Zeng et al. (2020) and Galanis et al. (2024) shows that organizational support strengthens the relationship between merit-based compensation and academic performance. Study (Titiek et al. 2023) confirms that organizational support dimensions (career development support, work-life balance support, and resource support) significantly moderate the compensation and performance relationship.

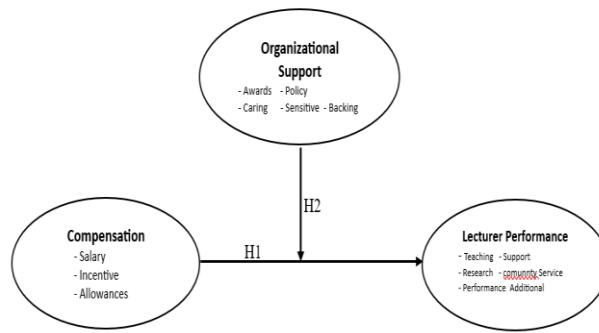
### Context of Private Vocational Education

The unique characteristics of private vocational education create special dynamics in the relationship of compensation, performance, and organizational support. Research by (Jo & Shin 2025) and (Zhu et al. 2022) found that private vocational institutions have a higher sensitivity to compensation fairness than their counterparts in public institutions. This is due to lower job security levels and higher market competition pressures. (Sampaio et al. 2025) and (Shen 2025) discovered that institutional support mechanisms are more important in private vocational education than public ones when it comes to mediating the relationship between performance and compensation. In the Indonesian context, Private polytechnics' lecturer reactions to the pay structure are influenced by cultural elements like collectivism and high power distance (Pianda et al., 2025). Organizational support that values interpersonal relationships and hierarchy respect has been shown to strengthen the effectiveness of compensation in improving performance.



### Conceptual Framework

This study's conceptual framework, which uses organizational support as a moderator, explains the relationship between lecturer performance and compensation based on the literature analysis. The integration of multiple important theories forms the foundation of the framework. Expectancy Theory (Estes & Polnick, 2012) provides a foundation to understand how lecturers evaluate the value of compensation based on expectancy (ability to achieve performance), instrumentality (performance-reward relationship), and valence (reward value) (Estes & Polnick, 2012). In this context, organizational support can increase expectations by providing the resources and capabilities needed to achieve high performance. Social Exchange Theory (Wikhamn & Hall, 2012) explains that employment relations are social exchanges where compensation is an economic exchange, while organizational support reflects social-emotional exchange (Rajâa & Mekkaoui, 2025; Wikhamn & Hall, 2012). When both are present simultaneously, there is a synergistic effect that optimizes employee performance. Person-Organization Fit Theory (Kristof, 1996) provides a lens to understand how congruence between individual needs and organizational offerings (compensation and support) creates optimal performance outcomes (Kristof-Brown et al., 2023; Margaretha et al., 2025). High organizational support increases Person-Organization fit, which in turn strengthens responsiveness to compensation incentives. This study's conceptual model postulates that pay directly improves lecturer performance, with the degree of organizational support acting as a moderator of this effect. When organizational support is strong, the compensation is. The performance relationship is predicted to be stronger than in conditions of low organizational support. This model also considers control variables such as teaching experience, education level, and institutional size that can affect the strength of relationships.



**Figure 1.** Conceptual Framework

Through the creation of a moderation model that illustrates how organizational support can either amplify or diminish the impact of compensation on performance in the context of vocational education, this study contributes theoretically. Practically, the findings of this investigation can direct the administration of private vocational education institutions in optimizing the effectiveness of the compensation system through strengthening organizational support. Based on previous theories and empirical findings, this study proposes the following hypothesis:

H1: Compensation has a significant positive effect on the performance of lecturers in private vocational education institutions.

H2: The perception of organizational support moderates the relationship between compensation and lecturer performance, where high organizational support will strengthen the positive influence of compensation on lecturer performance.



### **METHODOLOGY:**

This study tests the impact of organizational support moderating the relationship between lecturer performance and compensation using a cross-sectional design and a quantitative approach. Because it was consistent with the goals of the study to test the hypothesis and assess the degree of correlation and the impact of variable interactions, the quantitative approach was selected (Creswell & Creswell, 2018).

### **Population and Sample**

The research population is all permanent lecturers in private polytechnics located within the Higher Education Service Institution Region II, covering the regions of South Sumatra, Lampung, Bengkulu, and Bangka Belitung with 6 polytechnics. Based on data from the Higher Education Database in 2024. The total population of permanent lecturers in private polytechnics is 152 lecturers. Given the relatively small population size and to ensure optimal generalizability of research results, this study uses saturated sampling or census techniques. Using all population members as research subjects is known as saturated sampling (Margaretha et al., 2025). This approach was chosen because the limited population size allows the research to reach all units of analysis without the need to sample probability. Saturated sampling was used in this study because it eliminated sampling errors caused by the entire population probability, increased statistical and generalization power to detect the actual effect, and high generalization ability in the target population. A Google Form survey was used to collect data from all 152 permanent lecturers at private polytechnics. The survey was disseminated by WhatsApp and Instagram.

### **Research Instruments**

This study used a structured questionnaire consisting of four main parts: (1) respondent demographic characteristics, (2) compensation scale, (3) scale of perceived organizational support, and (4) lecturer performance scale. A 5-point Likert scale (1 being strongly disagree and 5 being strongly agree) is used for all items. Compensation is measured using a comprehensive scale adapted from the Milkovich Compensation Scale (Milkovich et al., 2020) with modifications according to the context of Indonesian vocational education. The instrument includes 9 items that measure financial compensation with three dimensions: salary, incentives, and benefits. An adaptation of the Survey of Perceived Organizational Support (SPOS), created by (Eisenberger et al. 1986) and tailored for the higher education setting by (Ramadini et al. 2024). The instrument consists of 15 items that measure dimensions: appreciation for contributions, concern for well-being, professional development support, supportive policies and practices, and sensitivity to complaints and problems. (Van Zyl et al. 2024) and (Zhang & Browne 2023) Academic Performance scale was modified and used to assess lecturer performance. The instrument consists of 20 items that measure performance in three main dimensions: teaching, research, community service, support, and ancillary performance.

### **Reliability and Validity**

Convergent validity was used to evaluate the instrument's validity by taking average variance extracted (AVE) and outer loading values into account. If an indicator's outer loading value is



greater than 0.70, it can satisfy the validity requirements. However, if the construct reliability and AVE value are still qualified, an outer loading value of 0.60 to 0.70 is still acceptable during the initial development stage (Hair & Sarstedt, 2021; Sarstedt et al., 2019). Conversely, an AVE value of  $\geq 0.50$  means that the latent construct being measured accounts for more than half of the variance of the indicator. The construct can be deemed reliable based on Cronbach's coefficients of Alpha ( $\geq 0.70$ ) and Composite Reliability ( $\geq 0.70$ ) (Fornell & Larcker, 1981).

### **Data Collection Procedure**

Online surveys and Google Forms questionnaire links shared via the lecturers' Instagram and WhatsApp accounts of the Region II Higher Education Service Institutions were used to collect data. Before data collection, this research had obtained ethical approval from the University's Research Ethics Committee and research permission from the Higher Education Service Institution Region II.

### **Data Analysis**

Through the use of SmartPLS 4.0 software, data analysis employs Partial Least Squares (PLS) in conjunction with Structural Equation Modeling (SEM). Data properties and predictive research goals, with an emphasis on moderation analysis, are the basis for choosing PLS-SEM (Hair & Sarstedt, 2021). The analysis procedure includes: (1) external model evaluation to assess construct validity and reliability, (2) internal model evaluation to assess path coefficient significance and structural relationship, (3) moderation effect test using a product-indicator approach with a bootstrapping procedure of 5,000 subsamples, and (4) simple slope analysis to interpret the interaction effect. The evaluation criteria for the outer model included: factor loading  $> 0.7$ , average variance extracted (AVE)  $> 0.5$ , composite reliability  $> 0.7$ , and discriminant validity as determined by the Fornell-Larcker criterion. The criterion of R-square, path coefficient significance ( $p < 0.05$ ), and effect size ( $f^2$ ) were used to evaluate the inner model.

## **RESULTS AND DISCUSSION:**

### **Respondent Characteristic**

The majority of the 152 respondents who took part in this study were male (52%) and between the ages of 25 – 35 years (46%). The respondents' working period varied, with the majority having 2-5 years of work experience (35%). With the dominance of lecturers who do not have a rank group (48%), this reflects the high number of lecturers who have not been integrated into the formal promotion system.

### **Evaluation of the Outer Model**

The evaluation of the outer model is carried out at two levels, namely the second order (dimension to the main construct) and the first order construct (an indicator of the dimension).

#### *Second-order Construct*

The measurement model in this study uses the second-order (2nd order), where the main latent variable is formed by some dimensions, and each dimension is reflected by its forming indicators. All indicators have a value above 0.70, according to the results of the outer loadings test. The results of the outer loadings of each construct, dimension, and indicator are shown in Table 1:



Table 1 Outer Loadings Konstruk (2<sup>nd</sup> Order)

Variable	Dimension	Indicator	Outer Loading
Financial Compensation (FC)	Salary	FC1	0.790
		FC2	0.866
		FC3	0.818
	Incentive	FC4	0.813
		FC5	0.819
		FC6	0.847
	Allowances	FC7	0.844
		FC8	0.854
		FC9	0.855
Perceived Organizational Support (POS)	Appreciation	POS1	0.853
		POS2	0.813
		POS3	0.786
	Concern	POS4	0.826
		POS5	0.802
		POS6	0.860
	Backing	POS7	0.854
		POS8	0.773
		POS9	0.836
	Policy	POS10	0.850
		POS11	0.837
		POS12	0.822
	Sensitivity	POS13	0.861
		POS14	0.826
		POS15	0.792
Lecturer Performance (LP)	Teaching	LP1	0.802
		LP2	0.779
		LP3	0.807
		LP4	0.791
		LP5	0.780
	Research	LP6	0.815
		LP7	0.785
		LP8	0.828
		LP9	0.825
		LP10	0.858
	Community Service	LP11	0.825
		LP12	0.837
		LP13	0.790
	Support	LP14	0.824
		LP15	0.833
		LP16	0.813
		LP17	0.857
	Additional Performance	LP18	0.837
		LP19	0.832
		LP20	0.823



All constructs had average variance extracted (AVE) values greater than 0.5: organizational support (0.669 – 0.689), compensation (0.681 – 0.724), and lecturer performance (0.627 – 0.692). Over 50% of the indicators' variance can be explained by this. Thus, meeting the criteria of convergent validity. In addition, the composite reliability (CR) value shows that all dimensions are above 0.70. This value shows that the indicators in the construct have sufficient consistency in measuring latent variables. The Larcker criterion verifies discriminant validity when each construct's square root is higher than its correlation with the other constructs.

#### *First-order Construct*

The first-order construct was analyzed, and its reliability, discriminant validity, and convergent validity were praised. Cronbach's alpha, composite reliability (CR), and AVE loading factor value served as the foundation for the assessment. Table 2 displays the estimated results.

**Table 2.** Outer Loadings Construct (1<sup>st</sup> Order)

Variable Latent	Indicator	Outer loading
Financial Compensation (FC)	Salary	0.928
	Incentive	0.915
	Allowances	0.927
Perceived Organizational Support (POS)	Appreciation	0.887
	Concern	0.914
	Backing	0.906
	Policy	0.894
	Sensitivity	0.913
Lecturer Performance (LP)	Teaching	0.932
	Research	0.914
	Community Service	0.902
	Support	0.938
	Additional Performance	0.904

All three constructs, organizational support (0.957), compensation (0.945), and lecturer performance (0.954), have composite reliability values (CR) above 0.70, indicating excellent internal consistency reliability. Likewise, all three constructs had average variance extracted (AVE) values above 0.50: lecturer performance (0.843), compensation (0.852), and organizational support (0.815). This attests to the convergent's validity. Using the Fornell-Larcker criterion, the discriminant validity test also demonstrated that each construct's square root of AVE was higher than the correlation between them, allowing discriminant validity to be determined.

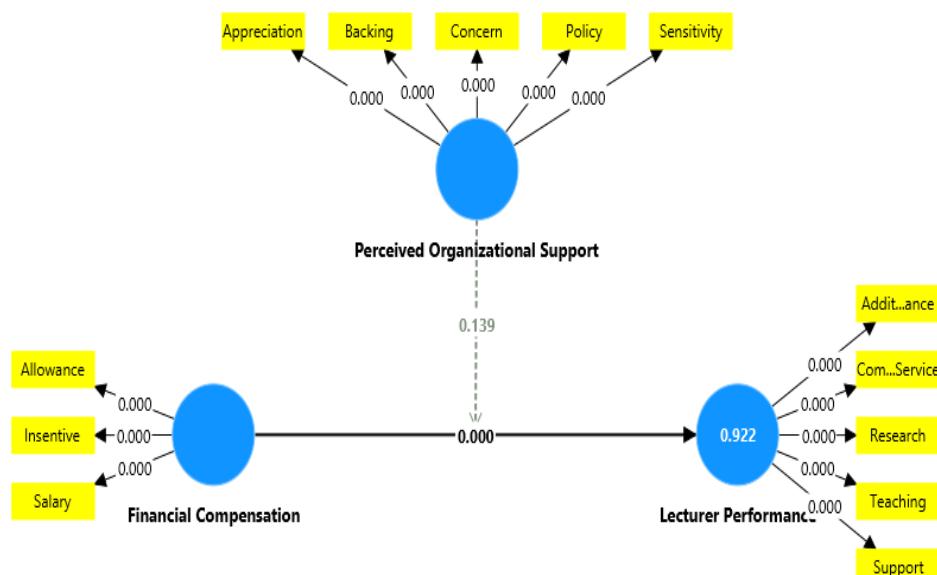
#### **Evaluation of the Inner Model and Testing of Hypotheses**

Internal analysis of the model to test the research hypothesis and determine the influence or relationship between latent constructs. Figure 2 below displays the findings of the structural model test: The Structural Model shows a structural model that describes the relationship between financial compensation variables, lecturer performance, and how moderation affects how



supportive an organization is perceived. With a significant loading factor value (p-value 0.000) for each construct indicator, the research tool satisfies convergent validity requirements.

The model accounts for 92.2% of the variability in lecturer performance, according to the lecturer performance variable's R-Square ( $R^2$ ) value of 0.922 with an adjusted R-Square of 0.921. For the f-square ( $f^2$ ) values, various pathways showed substantial effect sizes as follows: lecturer performance had a strong influence on additional performance (3.869), community service (3.824), Research (5.994), teaching (7.408), and supporting activities (7.432). Financial compensation had a major effect on salary (6.015), incentives (5.044), and allowances (6.405), but only a small effect on lecturer performance (0.382). Similarly, perceived organizational support gave notable impacts on support (3.984), policy (4.209), concern (5.760), sensitivity (4.107), and recognition (3.292), but its effect on lecturer performance was also minor (0.371).



**Figure 2** Structural Model

The findings suggest that the model not only significantly describes the lecturer performance variable but also shows that the contributions from financial compensation and organizational support have more substantial effects on supporting aspects and allowances than directly on lecturer performance itself. This finding supports previous results regarding the positive influence of financial compensation and the nonsignificant moderating effect of organizational support on lecturer performance. These explanations indicate that the latent variables tested have a strong influence and that, based on the evaluation criteria used, the model has good validity and reliability. Furthermore, path coefficient testing was performed to assess the direct and moderating influence. Table 3 displays the findings for the estimated path coefficient, t-statistic value, and p-value.

**Table 3.** Results of Hypothesis Testing

	Path Coefficient	T-statistics	P values
FC -> LP	0.427	5.916	0.000
POS x FC -> LP	-0.028	1.48	<b>0.139</b>



With a path coefficient value of 0.427, t-statistic of 5.916(1.96), and p-value of 0.000 (<0.05), Table 3 demonstrated that the financial compensation variable had a positive and significant impact on lecturer performance. These findings demonstrate that performance rises in tandem with their financial compensation. Meanwhile, the part moderation plays in how people view organizational support on the relationship between financial compensation and lecturer performance has not been proven to be significant. This is shown by the path coefficient value of -0.028 with a t-statistic of 1.480 (<1.96) and a p-value of 0.139 (>0.005). This means that POS does not strengthen or reduce the correlation between lecturer performance and financial compensation.

## DISCUSSION

### **The Effect of Financial Compensation on Lecturer Performance**

The study's findings not only support the notion that lecturers' performance is significantly impacted by financial compensation but also provide a broader understanding of the importance of human resource management strategies in vocational universities. These results imply that it can be a useful tool for policymakers looking to boost academic output, enhance learning quality, and make higher education institutions more competitive. By offering empirical data in the context of vocational education in Indonesia, which is still comparatively understudied, this study's theoretical contribution is to enhance the literature on equity theory and expectation theory. Practically speaking, the study's findings support the need for private polytechnic vocational education administration to design a compensation system that is fair, transparent, and adaptive to the needs of lecturers, so as to increase job satisfaction as well as sustainable performance.

The study's findings demonstrate that lecturers' performance in private polytechnics under the coordination of higher education service institutions in Region II is directly impacted by their financial compensation. A T-statistic value of 5.916 ( $\geq 1.96$ ) and a P-value of 0.000 ( $\leq 0.05$ ) support this conclusion. It has been demonstrated that higher financial compensation, which includes salaries, benefits, and incentives, directly improves lecturer performance. Numerous earlier studies have demonstrated that lecturer performance is significantly impacted by compensation. Research findings (Polnaya et al., 2018) highlighted that paying lecturers helps them produce more and better work. Along with pay, other elements like organizational culture and soft skills are crucial in promoting lecturer performance (Polnaya et al., 2018).

One factor that may influence lecturers' performance in the classroom is their financial compensation. According to a study (Salisu et al., 2020), there is a strong and positive correlation between lecturer performance and financial compensation. These results are consistent with those of the study (Seng et al., 2019), which also emphasizes the connection between raising lecturer performance and financial compensation.

Regarding workers generally, various studies conducted by (Sadiqin 2023), (Ohunakin & Olugbade 2022), (Rosyidah et al. 2023), and (Hariyanto et al. 2023) demonstrate that employee performance is positively and significantly impacted by financial compensation. However, some



studies give different results, as reported by (Meidian et al. 2023), (Alkandi et al. 2023), and (Idris et al. 2020), which assert that performance is not significantly impacted by compensation.

A similar view is put forward by (Cheng & Tong 2021) that which highlights that financial compensation has an impact by raising job satisfaction and motivation, but does not directly affect lecturers' performance. Thus, financial compensation is not always the main factor determining performance, but rather plays more of a role as a driving factor for motivation and job satisfaction. Furthermore, the study conducted in Bangladesh (Hossain et al., 2022) found that the relationship between lecturer performance and financial compensation is more complicated because it depends on a number of other factors, including organizational culture, leadership style, and level of support. The study's findings suggest that colleges should consider other elements that impact lecturer performance in addition to financial support.

From the perspective of *Equity Theory*, lecturers will evaluate the fairness of the compensation received compared to the contribution given. When compensation is considered fair, work motivation tends to increase (Chen et al., 2023). In addition, *Expectancy Theory* shows that expectations of rewards that match performance can increase work motivation (Che Ahmat et al., 2019). Lecturers who believe that high performance is rewarded through adequate compensation will be more motivated to work hard (Fulmer et al., 2023).

Competitive compensation not only attracts quality lecturers but also helps retain lecturers. This supports studies showing that a good compensation system encourages individual productivity in higher education organizations (Chen et al., 2023). In addition, fair compensation increases job satisfaction, which eventually improves performance (Kaur & Kaur, 2023).

However, the success of compensation policies also depends on transparency and continuous evaluation. Transparency in compensation is important to prevent perceptions of injustice that can reduce lecturer motivation (Tenhiälä et al., 2024). Therefore, institutions need to adjust compensation policies to the needs and conditions of lecturers.

In addition to financial compensation, non-financial awards such as formal recognition of achievements are also important. This is relevant to *Goal Setting Theory*, which states that rewards for goal achievement can strengthen motivation (Locke & Latham, 1990). The combination of financial compensation creates a work environment that supports long-term productivity.

As a strategic step, institutions are advised to integrate compensation policies with ongoing performance evaluations. This evaluation allows for the identification of areas for improvement and ensures the relevance of compensation policies to lecturer needs. Thus, this step supports the achievement of the institution's overall goals.

With a fair and transparent performance-based compensation policy, the institution can not only increase lecturer motivation but also support the long-term fulfillment of the organization's vision and mission.



## **The Effect of Financial Compensation on Lecturer Performance is Moderated by Perceived Organizational Support**

The discovery that the impact of financial compensation on lecturer performance is not mitigated by perceived organizational support is important from a theoretical and practical standpoint. Theoretically, this challenges the assumption in the Organizational Support Theory literature that organizational support always strengthens the relationship between extrinsic factors (such as compensation) and performance. This means that in the context of vocational colleges, organizational support may work more as an independent factor that directly impacts motivation and performance, rather than simply as a moderator. In practical terms, these results suggest that while financial compensation is already effective in driving performance, institutions still need to develop more comprehensive forms of organizational support, including emotional, social, and professional development. Thus, the contribution of this research lies in providing more realistic policy insights for universities: that compensation and organizational support should be seen as two independent but complementary strategic pillars in improving lecturer performance.

With a *T-statistic* value of  $0.225 \leq 1.96$  and a *P value* of  $0.882 \geq 0.05$ , the study's findings demonstrate that the relationship between financial compensation and lecturer performance is not moderated by perceived organizational support. This suggests that lecturers' performance is unaffected by their perceived organizational support; in addition to financial compensation, the relationship can be strengthened by the impression of organizational support. These results are consistent with those by Jufrizen (Jufrizen et al., 2021), who found that organizational positive impact on lecturer performance.

Meanwhile, research conducted by (Chen et al. 2023) found that although financial compensation is an important factor in driving performance, enhancing lecturer performance does not always require organizational support.

*Equity Theory* states that perceived organizational support can strengthen the perception of fairness in compensation, which in turn will improve performance (Adams, 1965). However, when organizational support is low, this perception of fairness can be reduced, so the effectiveness of financial compensation will also be hampered. The study's findings are consistent with earlier research showing that while financial compensation can inspire people, its beneficial effects on performance may be limited in the absence of sufficient organizational support (Nguyen, 2020). *Expectancy Theory* (Vroom, 1964) also provides a relevant view in this context. This theory emphasizes that an individual's expectation of reward that corresponds to effort is key to motivation. In the context of lecturers, these expectations are not only focused on financial compensation, but also on adequate organizational support, such as recognition of performance and the provision of supportive facilities (Vroom, 1964). Without such support, even if compensation is provided, the motivation to work well may be reduced.



Research by (Gagné & Forest 2020) also highlights the importance of organizational support in creating strong intrinsic motivation. When lecturers feel emotionally and professionally supported, lecturers will be more motivated to make their best contributions. Therefore, although financial compensation has an important role, the contribution of organizational support in strengthening lecturer performance must be given more attention. Without adequate support, the financial compensation received by lecturers may not be enough to encourage optimal performance.

Consistent with the study's conclusions, the analysis's findings demonstrate that the relationship between lecturer performance and financial compensation is not moderated by perceived organizational support. This indicates that universities (polytechnics) need to conduct an in-depth evaluation of how to provide support to lecturers. The financial compensation provided (including salaries, incentives/bonuses, and allowances), even though it has a big impact on lecturers' performance, can work better if there is strong organizational support.

More open and effective communication between management and lecturers, as well as the establishment of a favorable work environment, is anticipated to improve the correlation between performance and financial compensation and performance. The perception of organizational support includes recognition of lecturers' contributions, concern for lecturers' welfare, support for professional development, the existence of supportive policies and work practices, and sensitivity to lecturers' complaints and problems. With this support, lecturers can feel stronger emotional, social, and professional involvement, ultimately encouraging motivation and commitment in achieving performance targets.

Therefore, colleges should also make sure that the assistance they offer goes beyond just material support and also touches on the emotional and social aspects. A conducive, inclusive, and professional development-oriented work environment for lecturers will strengthen the financial compensation's effect on performance enhancement.

Future studies can focus on examining additional elements like organizational culture, career development guidelines, and the caliber of academic leadership that influence how compensation and lecturer performance are regulated. These findings make an important contribution to the development of policies in universities that seek to improve lecturer performance through a combination of fair financial compensation and more comprehensive and effective organizational support.

## CONCLUSIONS

This study demonstrates that lecturers' performance at private vocational education is positive and significantly impacted by financial compensation, as well as strengthening the literature on *Equity Theory* and *Expectancy Theory* through empirical evidence in the Indonesian context. In contrast, it has been demonstrated that the relationship is moderated by perceived organizational support, so it is more appropriate to view it as an independent factor that affects motivation and



performance. The study's practical implications validate that the approach to enhance lecturer performance cannot only rely on financial compensation but must also be accompanied by comprehensive organizational support for emotional, social, and professional development aspects. Thus, the main contribution of this study is to provide a new understanding of the dynamics of compensation and organizational support in vocational education, as well as to open up space for further research that considers other variables such as organizational culture, academic leadership, and career development policies.

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